

Paying for biosecurity – a bit like insurance

There is an irony about insurance. Most of us pay it but hope to goodness that the dire circumstances never occur that lead to getting a return on the investment.

It's the 'big one' that drives us to invest in insurance policies. We figure we can cope with the cost of replacing a panel on the car but what, we ask ourselves, if the car is written-off? We figure we may be able to cope with a broken arm, but what if there is a year's hospitalisation and rehabilitation? The cost of these events is scary and complacency is risky.

Just like major accidents versus bingles, 'big ones' do happen. In biosecurity, an Australian example is the 1995 Papaya fruit fly incursion from across the Torres Strait into Queensland. This event provides some sobering numbers on the potential costs of 'big' biosecurity events. While I can't claim to have correctly interpreted the numbers, a report on the outbreak, prepared by a

panel that is reviewing the costs of a long-term containment strategy, relates costs of scary proportions but benefits from expenditures to prevent further outbreaks, that far outweigh the costs.

Eradication of the fly from Queensland cost \$34 million, the costs to growers while eradication was occurring (additional treatments, loss of fruit shelf-life from fumigation, inspections) was estimated at \$100 million, the horticulture research and development corporation (HAL) spent \$22 million developing control measures and as a result of the fly becoming established in the Torres Strait, containment to the Torres costs \$200,000 a year. If there is any comfort in thinking that these costs are shared by a large number of growers, don't forget that if it's government money, it's tax that could have gone into the local school etc and in terms of industry costs, the Papaya experience throws up direct costs to each grower of \$27-\$46 per hectare

for each of up to twelve sprays a season and disinfestation of \$79-\$100 per tonne. Of course these are the direct costs – the cost of losing markets through an event can be added in.

On the other hand, the review suggests that the benefit of keeping the Papaya fruit fly out is \$228 for every \$1 invested to do so.

WGGA is working hard to put in place the industry-based preventative strategies against 'the big one'. It is difficult to do so without resources however. The GWRDC is doing its bit in terms of project work but industry will need to do the implementation. Research doesn't do on-farm awareness, surveillance or preparedness. At some stage, the implementation phase will have to be paid for, somehow. That'd be insurance.

Lawrie Stanford, Executive Director, WGGA

WGGA priorities for 2013-14 doing less/delivering more

It's often hard to point to the achievements of an organisation such as ours. We don't make widgets, we didn't sell more TVs than last year or reduce the cost of a cappuccino (although we are well on the way of reducing fungicide costs by negotiating Maximum Residue Limits (MRLs) for phosphorous acid in China and Canada). WGGA's achievements are often less tangible.

WGGA has made sure that growers have had a voice in all serious national debates – including how grower research levies are spent, how winemakers purchase fruit, what exotic pests are included on the list for border and

pre-border surveillance by AQIS. We have negotiated the conditions for a merger between the Wine Australia Corporation and the Grape and Wine Research and Development Corporation, ensuring that growers and winemakers are equally represented and grower concerns expressed in the consultation phase are addressed. We have also greatly improved our communication systems to reach more growers more often and more effectively and included younger growers in our decision-making processes.

As often stated, WGGA is restricted in what it does by limited resources. We

have one full-time and two part-time office staff compared with at least ten staff in our counterpart organisation – the Winemakers' Federation – while there are at least three times as many winegrape growers as there are winemakers in Australia. We also do not have a means of identifying or communicating directly with our constituents, making it difficult to provide them with information and services directly and receive feedback on issues of importance. Having said that, WGGA works closely with the regional and state associations, which have good networks with growers.

Casting a critical eye over our activities

during the past 12 months, I know we could be accused of doing too many things and spreading ourselves thinly. This year we have tightened the focus in our annual operating plan, and subject to funds and human resources, a list of 10 key deliverables for 2013-14 have been identified.

- 1 Establish a National Wine Biosecurity Industry Reference Group
- 2 Develop a national biosecurity strategic plan
- 3 Devise a national grower identification strategy for biosecurity and statistical purposes
- 4 Measurably progress establishment of government regulated MRLs for phosphorous acid in China and Canada
- 5 Achieve wider adoption of a Code of Conduct for purchasers of winegrapes
- 6 Commence the codification

- of a methodology for colour measurements in winegrapes
- 7 Demonstrate the benefits of using objective measures for winegrape payments
 - 8 Advocate for an Entwine program more relevant to growers
 - 9 Usher in a whole-of-value-chain statutory authority by the merging of GWRDC and WAC
 - 10 Develop and roll out a WGGA wine tax policy

2013-14 is seen as a year of opportunity by WGGA and for the growers we represent. We have identified a number of opportunities to pursue:

- Professional advocacy arrangements to improve our "clout" in Canberra
- Expand into new electronic communication mechanisms that are more convenient and effective
- Cultivate relationships with major

- wine retailers to promote "ethical purchasing" approaches
- Working with younger generations and major growers to broaden our membership and relevance
 - Facilitate sustainable, lower-cost structures for grapegrowing – including promoting alternative business models

Our vision statement summarises what WGGA strives to do for winegrape growers.

We are committed to securing a profitable, innovative and environmentally sustainable winegrape industry that has the skills and knowledge to respond to current and future challenges.

We welcome your feedback on our work plan and activities. Contact us on 8133 4400 or info@wgga.com.au.

2013-14 WGGA membership drive in June/July

If you are a winegrape grower or have an interest in seeing the winegrape sector continue to prosper, it is vital to support your peak body by becoming a member.

WGGA members receive:

- The right to influence grower policy, nominate for positions on the Executive Committee and vote at the AGM (general membership only)
- Access to members' only information on the WGGA website
- Discounts on subscriptions to industry magazines
- Early direct delivery of the bi-monthly WGGA newsletter
- Direct delivery of the WGGA e-Alert for grower events and opportunities

For this year, all new and rejoining members who sign up before 30 September receive:

- 50% off subscriptions to Grapegrower and Winemaker
- 20% off subscriptions to Wine Business Monthly (new WBM subscribers only)
- A free VineBiz CD & Manual (while stocks last)
- Entry into a prize draw to win a hard copy of the Winetitles Wine Industry Directory with online access

In addition, new members to WGGA who join before 30 September receive:

- A free trial copy of Wine Business Monthly (WBM)

Membership fees 2013-14

General membership

South Australian winegrape growers who pay the SA Grape Grower Industry Fund levy
No additional fee (but please register with us to receive special offers and mail-outs)

General membership

Non-South Australian winegrape growers
\$50 plus 50c for every tonne of grapes over 100t delivered in the 2013 vintage

Affiliate membership

State and regional industry associations
\$1000 up to 50 grapegrower members or \$2000 for more than 50 members

Associate membership

Individuals or businesses with an interest in the winegrape industry
\$250

Student membership

Anyone currently studying in a viticulture or wine-related field
\$25

Calls for membership renewal/

applications will occur over June/ July 2013 – look out for membership packages that will be in circulation.

For more information about WGGA and how to join, contact the Membership Coordinator on (08) 8133 4400 or visit www.wgga.com.au.

Biosecurity evidence of absence versus absence of evidence

If the phrase "evidence of absence versus absence of evidence" is familiar, then possibly a problem in on-farm biosecurity is also familiar – it's the difference between knowing that a biosecurity threat is not there as opposed to not having seen anything. Evidence of absence implies an active search, which is good biosecurity practice, as opposed to absence of evidence, which implies that you only know something is there when it is obvious and unavoidable (that is, a problem).

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Regular monitoring provides the best chance of picking up issues early and makes it easier to deal with them. Early detection of a new pest or disease, one that is not currently established in Australia, could mean the difference between big and small problems. That is, a devastating widespread incursion resulting in an emergency response that affects the economic performance of the whole industry (for example, loss of markets), and a levy on all growers to deal with it, as opposed to a minor scare that that is relatively easily dealt with.

The Farm Biosecurity website www.farmbiosecurity.com.au identifies the following on-farm steps to improve the chances of early pest or disease detection.

- Establish an active monitoring program and record the results, even when nothing is found. Keeping a record, even when nothing important is found, means that if something is found, it will be traceable to how long (at most) it has been present.
- Familiarity with the usual disease symptoms of insect pests and weeds found on your property. Knowing what's normal on the property will increase the chances of discovering anything unusual. Consult with neighbours on anything suspicious, as it is unlikely that the cause of the problem will stop at a neighbour's boundary.
- Knowledge of the high priority biosecurity threats for the industry.
- Knowledgeable employees who know how and where to report any unusual diseases, pests or weeds.

Work has been done to identify the high priority biosecurity threats for the grape industry. The Viticulture Industry Biosecurity Plan, which is currently being updated by Plant Health Australia with funding from GWRDC, identifies over 200 potential exotic pests and diseases – including bacteria, viruses, fungi, molluscs, nematodes, insects and arachnids. Of the 200, about 15 are assessed as high priority threats and three receive an overall "HIGH" risk rating.

The first attempt at identifying the high-priority threats was just that, and the revised effort in the current Plan being



Black rot damage to grapes. Image courtesy of Bugwood.

developed will be an improvement. Among the high-priority threats identified initially, were things like Black Rot, the Glassy-winged sharpshooter/ Pierce's disease complex and exotic strains of Phylloxera. To receive a high-priority threat rating, the criteria that are taken into account include the likelihood of entry into Australia, the likelihood of survival in Australia, the likelihood of spread, the difficulty of eradicating it when detected and finally, the severity of its impact on crops. As is occurring now, these lists require constant maintenance and updating but the trick will always be reporting from the field, to State authorities, anything spotted that is unusual.

Notably, the Biosecurity Plan is designed to inform industry planning and the roll-out of high-risk pest lists to farms will occur through a Biosecurity Manual which will be developed when the revised Biosecurity Plan is complete. The internet is a ready point of reference for important information on identified risks and the WGGA website will soon have sections dedicated to providing assistance.

In what is a complex web of interacting forces, some of the threatening species infest plants other than grapevines, which

means that the risk of break-outs doesn't only depend on what this industry does – this industry is also at risk from the practices and vulnerabilities of other industries. For this reason, WGGA's biosecurity activities will attempt to include all other plant industries, via the Plant Health Australia organisation and in particular, close interaction with the table grape, dried fruit and nursery industries.

The issue of general biosecurity practices is concerning. A recent study by the Victorian Department of Primary Industries found that of the grape growers that were near an area that is infested with a well-known pest that is established in Australia, only 50% had signs up asking visitors to report to the property owner on arrival and less than 20% had other procedures to prevent pests being brought onto the property. Needless to say, the findings are not likely to be unique to Victoria.

Any unusual pest or disease symptom should be reported immediately via the Exotic Plant Pest Hotline on 1800 084 881. The Farm Biosecurity website www.farmbiosecurity.com.au can be checked for more information on what to do if an exotic pest is suspected.



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Farm Finance – Commonwealth response to debt pressures

The Australian Government recently announced a scheme called Farm Finance to assist farmers who are currently struggling with high levels of debt.

Farm Finance has four measures:

- Concessional loans of up to \$650,000 for eligible farm businesses in need of short-term financial assistance.
- Funding for more rural financial counsellors who can provide farmers with free, confidential financial counselling to assist with business decision-making.
- Changes to the Farm Management Deposits (FMDs) scheme to make

it more accessible and cheaper for growers.

- Progressing a nationally consistent approach to debt mediation.

For the concessional loans, up to \$60 million will be made available 'as soon as possible' and spread over two years. The delivery is dependent the State governments being willing to administer them through their delivery agencies.

The loans will be for debt restructuring or productivity enhancement projects and will be available to long-term viable farm businesses that can demonstrate financial need, that participate in a farm business planning exercise which will also demonstrate ability to meet a debt repayment schedule.

From 1 July 2014, changes to the Farm Management Deposits (FMDs) will see an increase in the non-primary production income threshold from \$65,000 to \$100,000, allowing more growers to access

the scheme. It will also allow consolidation of existing FMD accounts and reduced red tape. See more about FMDs in a separate article in this newsletter.

From 1 July 2013, the Rural Financial Counselling Service will receive funds to increase the number of full-time financial counsellors by sixteen on top of the existing number of 110. More information about the Service can be found on the Rural Financial Counselling Service website or by calling 1800 686 175.

The federal government has pledged to work with banks, industries and regional governments to progress a consistent approach to farm debt mediation. This is intended to provide for farmers and their bankers a simpler, more consistent system.

Further information about Farm Finance and the support available for farmers experiencing debt stress can be found at daff.gov.au/farmfinance.

Farm Management Deposits – managing the highs and lows

The Farm Management Deposits (FMDs) scheme allows eligible primary producers to set aside pre-tax income from primary production in years of high income, which they can draw on in years of low income.

While this scheme is clearly something that many winegrape growers could not contemplate at this time, the scheme is definitely relevant to options available to ride out difficult times like now and may be worth knowing about.

The scheme is restricted to individuals, not companies or other entities, and deposits can be as little as \$1,000 or up to \$400,000. Income deposited into an FMD account is tax deductible in the year the deposit is made and it becomes taxable income in the year in which it is withdrawn.

The recent changes announced by the government (projected to come into effect from 1 July 2014) as part of its Farm Finance package means that more growers will be eligible by an increase in the allowable off-farm income. Current depositors will of course be able to earn more off-

farm income also and will be allowed to consolidate funds more effectively while, with less red tape, with less expense.

For more information on the FMD Scheme, visit daff.gov.au/fmds.

Of proof and puddings

WGGA is currently working with the Department of Environment and Primary Industries Victoria, AWRI and Melbourne University on a GWRDC funded research project to improve the adoption of technologies and practices developed through Australian research. WGGA's collaboration is motivated by the experience the Executive Committee has quite frequently when it thinks new research proposals. In these circumstances, the Committee wonders what happened to the original research and why it wasn't adopted? The potential waste of research dollars is concerning.

The analogy is that it doesn't matter how much work goes into making a pudding, or how beautiful it looks, if no-one eats it, then what is its value? Equally, new technologies, methods and processes that are developed through research have no real value to the Australian wine industry until they are adopted.

Extension, or the delivery of information, is the vehicle with which research agencies support adoption but for it to occur, adoption is important to know the drivers and barriers to this final part of the process.

The research being conducted in the collaboration between VDEPI, AWRI, MU and WGGA involves detailed personal interviews with a number of growers and winemakers to establish an effective survey which will then be more extensively conducted by phone. If it comes your way, please help. The data collected will enable the researchers to develop an understanding of why, how and when grape growers and winemakers adopt research findings.

From this work, market segments for existing innovations will be described, adoption strategies designed and extension guidelines and tools developed.

Thus far, 48 face-to-face interviews have been conducted in a number of regions around Australia including Barossa, McLaren Vale, the Riverland, Griffith, the Goulburn and Yarra Valleys and Mornington, with phone interviews due to commence this August. For further information please contact megan.hill@dpi.vic.gov.au.

Megan Hill, Project Leader



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Key points of interest

- All sales categories were in positive growth.
- Domestic sales volumes for Australian wine were flattish (up 0.1%).
- Export volumes up marginally (1.9%).
- Imports up strongly (8.9%).
- Domestic sales of bottled, red Australian wine grew 8.6% while bottled white sales declined 7.5% both trends remaining strong at the end of the period. Bulk wine shipments almost doubled off a relatively low base.
- Bottled wine exports are down 36 percentage points over the last ten years ended March 2013, to hold a 45% volume share. Bulk wine exports were up 49 percentage points over the same period, to take a leading 52% share in the container-type category. Over the last ten years, bottled red

shipments were down 16 percentage points, to a 31% share of total volumes while bottled whites were down 20 percentage points to a 13% share.

- Import volumes grew strongly over the last year (8.9%), nevertheless growth had moderated from the 14.5% growth of the year before. White wine imports grew 15% off a higher base (up 6 million litres) while red wine grew 27% off a lower base (up 3 million litres) to achieve an overall 15% volume share.
- Wine sales in Australia (Australian wine plus imports) grew 1.5%, driven almost wholly by the import performance.
- Australian wine sales (domestic plus export) grew 1.2% after two years of decline, due largely to higher export volumes.

See more on www.wgga.com.au

Australian wine sales at year-end March 2013.

WGGA will be at WineTech in Sydney

WGGA staff will be attending the AWRI Wine Industry Technical Conference from 13-18 July in Sydney, and we hope to speak to as many growers as possible.

Come and see us on stand 5529 in the WineTech Expo and have a chat. Find out what we can do for you and give us your feedback on priority issues that you would like WGGA to address.

The Executive Director will be available for personal meetings by appointment.

Join up with WGGA on the day and receive two years' membership for the price of one – amazing value. In addition, there'll be a prize draw for all our visitors.

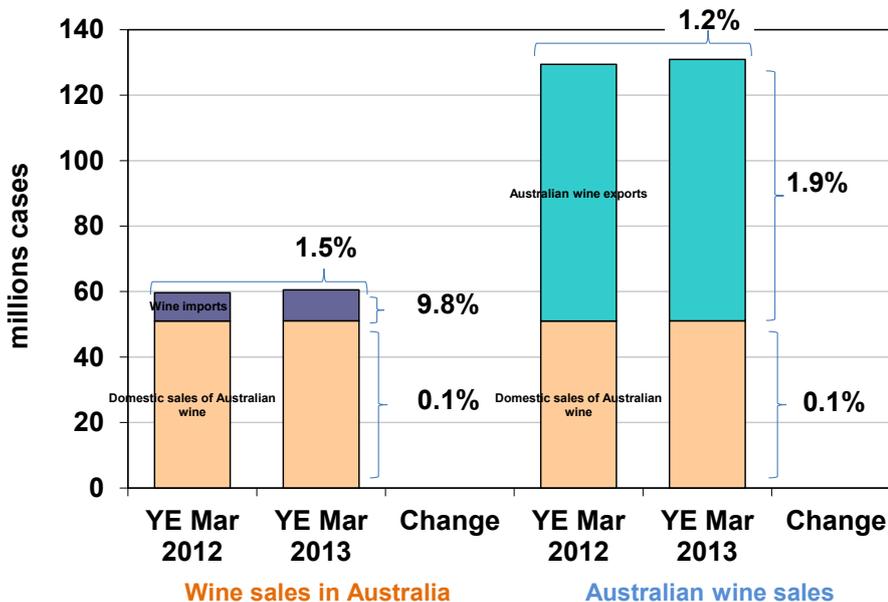
New WGGA Executive Committee member - Brian Englefield

WGGA is pleased to welcome Brian Englefield as the new representative of the Murray Valley electoral zone. This follows his appointment as Chairman of Murray Valley Winegrowers (MVW), replacing Dennis Mills, who resigned the position at the end of April.

Mr Englefield is a winegrape grower at Wemen in the Robinvale District, and has extensive industry leadership experience including as a Board Member of the Grape and Wine Research & Development Corporation. He is also a current Board Member of the Mallee Catchment Management Authority. The WGGA Chair, Mr Vic Patrick said: "Mr Englefield's background in biosecurity matters will also be valued on the Executive Committee of WGGA".

WGGA thanks Dennis Mills for his contribution to the WGGA Executive Committee since November 2010 and notes his willing involvement in the Audit and Finance Committee, the Selection Committee for the GWRDC Board and the combined WGGA/WFA Joint Policy Forum.

Wine sales at year end March 2013



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The United Grower now available bi-monthly in *Grapegrower & Winemaker*

Inside the July *Grapegrower and Winemaker* magazine 2013 issue, with its many articles on vineyard management and research, just a few of the must-read News and Grapegrowing items are:

- More wineries sign up to code of conduct
- Regional Round-up: South Island, NZ
- Grapevine genetic research delivers results
- Reviewing covercrops to control vigour
- Ask the AWRI: weed management tips
- Grapegrower in Profile: Keith and Kat Barry

And in Winemaking, Sales and Marketing, and Business and Technology, are:

- Lake's Folly proves its credentials
- Shedding light on flavour additives in wine
- Chinese work experience for winemakers
- Biological treatment of wastewater
- McWilliam's to bottle and pack at Hanwood site
- Label Q&A: The Marlborough Sun
- Packaging leaders unveil new twist on cork
- Peter Bailey: winegrape purchase price dispersion report

This issue also includes the regular features news briefs, MyView, calendar of events and Marketplace classifieds.

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Contact the WGGGA for further details on 08 8362 9802 or via email info@wgga.com.au.